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September 20, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 95105

**Re: Comments Regarding FDIC Application #20051977; Wal-Mart
Application for Insurance and Industrial Bank Charter**

Dear Mr. Carter:

I am writing to oppose the application of Wal-Mart Stores, Inc., for Federal deposit insurance coverage for an ILC charter in Utah. I work for a community bank and believe strongly that allowing Wal-Mart to own a bank charter and potentially open branches in its stores would do irreparable harm to my community and many institutions, and pose a severe systemic risk to our nation's economy.

I am aware that Wal-Mart has stated that it intends to operate a limited ILC charter in Utah. Their assurances that the operation will remain narrow ring hollow in the context of the company's history and corporate philosophy. This is Wal-Mart's fourth attempt to get into the banking business. Wal-Mart's CEO says he wants to grow the company and provide financial services to its customers. It is not much of a stretch to conclude that somewhere down the road, Wal-Mart will be amending its business plan to allow it to offer a full array of banking services. This must not be allowed to happen.

Wal-Mart has a long history of destabilizing communities by undercutting prices of local merchants and driving them out of business. That is not a theory, it is a fact. For example, when Wal-Mart entered Iowa, 50% of clothing stores, 30% of hardware stores, 42% of variety stores, 26% of department stores, and 25% of building materials stores were driven out of business. Were Iowa consumers well served by eliminating Wal-Mart's competitors and denying consumer choice? I think not. Think of the economic consequences of those statistics, and the impact it had on the state of Iowa! Communities recover from natural disasters; man-made ones are much longer lasting.



Congress has reaffirmed our nation's long standing policy against the mixing of banking and commerce, and with good reason. Mixing banking and commerce would create serious conflicts of interest and distort credit decisions. The impartial allocation of credit is the linchpin of our financial system and must be preserved. Would a Wal-Mart Bank offer credit at reasonable terms to its competitors? Would Wal-Mart require its suppliers to bank at the Wal-Mart bank?

Even more importantly, the largest company in the world owning a bank would produce a dangerous concentration of economic power and resources that would pose severe systemic risks to our economy. Our nation cannot afford to take that risk to save Wal-Mart a couple of pennies on each credit and debit card transaction.

For the sake of the community banks of our nation and the customers and communities we serve, please do not allow Wal-Mart to get into the banking business. Make a statement for fair competition and consumer choice by denying Wal-Mart's application for deposit insurance.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Schmidt". The signature is written in a cursive style.

Stephanie Schmidt
Loan Officer